



121 W. DE LA GUERRA

121 DLG LLC and the City of Santa Barbara are pleased to announce the availability of three affordable condominiums for purchase by residents who qualify under the City's Affordable Housing Program Policies. The City of Santa Barbara will administer a lottery to determine a priority list of potential buyers for the three units.

These units are restricted to "middle-income" purchasers. Area Median Income is established by HUD. Income limits are as follow:

One-person household: \$73,020
Two-person household: \$83,460
Three-person household: \$93,890

Four-person household: \$104,320
Five-person household: \$112,670



If the combined gross income of all persons in the household is more than the limits shown above, the applicant does not qualify to enter the lottery. Household is defined as "all those persons – related or unrelated – who occupy a single housing unit".

ABOUT THE AFFORDABLE CONDOMINIUMS

The property is located west of the intersection of Chapala and De La Guerra just ½ block from Paseo Nuevo Mall. The units should be available for occupancy in July 2008. Each unit is located in a beautiful courtyard setting has one parking space in the parking structure.

The sales price for the studio unit is \$163,800. It has high ceilings, wood flooring in entry, tile kitchen counters, all tile bathroom, and a large private patio.

The sales price for the one-bedroom, one bath unit is \$216,000. It has high ceilings, wood flooring in entry and living/dining area, tile kitchen counters, all tile bathroom, and a large private patio.

The sales price for the two-bedroom, one and a half bath unit is \$268,400. It has high ceilings, wood flooring in entry, tile kitchen counters, all tile bathroom, and a large private patio.

For more specific information about the units and the development, please go to www.onetwentyonesb.com

The three affordable units are subject to requirements outlined in the Affordability Control Covenant; "Grant of Preemptive Right: Resale Restriction Covenant and Option to Purchase". This forty-five (45) year Affordability Control Covenant restricts the sales prices of the homes, the maximum income levels of the families purchasing the units, and clarifies participant-owner's responsibilities. The Grant of Preemptive Right gives the City the first right of refusal to purchase the unit when it is offered for sale. The complete document may be viewed at www.santabarbaraca.gov **Please read it carefully.**

These homes, along with all homes in the project, are subject to the rules and regulations of the homeowner's association as declared in the CC&R's (Covenants, Conditions, and Restrictions), Bylaws, Articles of Incorporation, Budget, and other related association documents. A copy of the CC&R's may be viewed at www.onetwentyonesb.com. The current monthly dues for the homeowner's association range from \$278 to \$312 but are subject to change.

CAN YOU AFFORD TO BUY ONE OF THESE UNITS?

MAXIMUM PRICE \$163,800				1-STUDIO UNIT EXAMPLE		HOUSING COST PER MONTH	MINIMUM ANNUAL INCOME
DOWN PAYMENT		LOAN AMOUNT	30 yr PMT AT 6.5% Interest Fixed	TAXES /month	HOA / INS		
min 5%	\$8,190	\$155,610	\$ 983.56	\$170.63	\$ 300.00	\$1,454.19	\$43,625.55
10%	\$16,380	\$147,420	\$ 931.79	\$170.63	\$ 300.00	\$1,402.42	\$42,072.45
20%	\$32,760	\$131,040	\$ 828.26	\$170.63	\$ 300.00	\$1,298.89	\$38,966.55
max 40%	\$65,520	\$98,280	\$ 621.20	\$170.63	\$ 300.00	\$1,091.83	\$32,754.75

MAXIMUM PRICE \$216,000				1-ONE BEDROOM UNIT EXAMPLE		HOUSING COST PER MONTH	MINIMUM ANNUAL INCOME
DOWN PAYMENT	LOAN AMOUNT	30 yr PMT AT 6.5% Interest Fixed	TAXES /month	HOA / INS			
min 5%	\$10,800	\$205,200	\$ 1,297.00	\$225.00	\$ 300.00	\$1,822.00	\$54,660.00
10%	\$21,600	\$194,400	\$ 1,228.74	\$225.00	\$ 300.00	\$1,753.74	\$52,612.20
20%	\$43,200	\$172,800	\$ 1,092.21	\$225.00	\$ 300.00	\$1,617.21	\$48,516.30
max 40%	\$86,400	\$129,600	\$ 819.16	\$225.00	\$ 300.00	\$1,344.16	\$40,324.80

MAXIMUM PRICE \$268,400				1-TWO-BEDROOM UNIT EXAMPLE		HOUSING COST PER MONTH	MINIMUM ANNUAL INCOME
DOWN PAYMENT	LOAN AMOUNT	30 yr PMT AT 6.5% Interest Fixed	TAXES /month	HOA / INS			
min 5%	\$13,420	\$254,980	\$ 1,611.65	\$279.58	\$ 300.00	\$2,191.23	\$65,737.00
10%	\$26,840	\$241,560	\$ 1,526.82	\$279.58	\$ 300.00	\$2,106.40	\$63,192.10
20%	\$53,680	\$214,720	\$ 1,357.18	\$279.58	\$ 300.00	\$1,936.76	\$58,102.90
max 40%	107,360	\$161,040	\$ 1,017.88	\$279.58	\$ 300.00	\$1,597.46	\$47,923.90

STEPS TO APPLY FOR THE LOTTERY:

Applications are available at **SOTHEY'S INTERNATIONAL REALTY**, located at 1482 E. Valley Road or they may be downloaded from www.onetwentyonesb.com, or www.santabarbaraca.gov

Completed applications must be delivered **ONLY** to **SOTHEY'S INTERNATIONAL REALTY**, located at 1482 E. Valley Road. Completed lottery applications must be hand-delivered to Sotheby's between 8:30 a.m and 4:00 p.m. Monday-Friday. **Applicant must obtain a receipt from staff to document delivery of the application.**

The deadline to submit a lottery application is MAY 30, 2008 at 4:00 p.m.

Incomplete or late or applications will not be accepted

Please do not visit the active construction site

Only one application per household will be accepted

A "household" is all persons – related or unrelated – who occupy a single housing unit full-time.

THE LOTTERY PROCESS

1. Determine Eligibility

In order to be eligible to purchase an affordable home, the City must certify that the applicant meets certain criteria including, but not limited to, the following:

- Only applicants who currently live and/or work in the South coast area of Santa Barbara County (from Gaviota to the Ventura County line may enter the lottery).

- The applicant's combined household income must not exceed the allowable household income (see above). The City will include income from all adult household members in calculating total household income. Household is defined as "all those persons – related or unrelated – who occupy a single housing unit".
- Applicant's monthly income shall be sufficient so that at least 28% but not more than 40% of that income will be used to pay for monthly housing expenses, including loan payments, PMI, homeowner's association fees/insurance, and property taxes. Buyers are required to provide a down payment of at least five percent (5%) of the purchase price and have "good" credit (typically a FICO score of at least 620). The mortgage loan payment shall be based on the fully indexed interest rate rather than an introductory or "teaser" rate.
- Income from taxable assets (actual or computed) is included in the computation of annual income.
- Gift amount (if applicable) must NOT exceed 20% of the purchase price and must be accompanied by a "gift letter" indicating that the gift is not expected to be repaid.
- Applicants must agree to reside in the home they purchase and cannot own any other residential real estate at time of application or at any time during their ownership.
- An applicant's total equity in residential real estate held at any time during the two years prior to purchase of an affordable unit shall not exceed fifty percent (50%) of the purchase price of the affordable unit.

Applicants must demonstrate that they have sufficient funds available to pay the required down payment and other costs associated with purchasing the home.

2. Complete the Lottery Application, deliver it to SOTHEBY'S INTERNATIONAL REALTY and obtain a numbered/signed receipt as proof of delivery

3. Financial Pre-Qualification

Applicants are not required to obtain a letter confirming their ability to qualify for a bank loan to apply for the lottery. However, it is strongly recommended that applicants determine the amount of loan they could qualify for based on sales prices of the units in the event the applicant is selected at the lottery. The City requires a minimum down payment of five-percent (5%); most lenders are now requiring a minimum down payment of ten-percent (10%).

4. Make sure application is accepted and eligible for the lottery

Lottery Applications submitted on or before the deadline will be delivered to Santa Barbara Housing and Redevelopment Department. City housing staff will screen the applications to determine basic eligibility for the lottery. **It is recommended that applications be turned in early!** Names of lottery participants will be posted at the City offices at 630 Garden Street (2nd Floor) for ten (10) business days following the application deadline. This ten-day period is an opportunity for applicants to confirm their inclusion in the lottery.

5. Lottery

After the ten business day posting period, the City of Santa Barbara will administer a lottery to determine a priority list of potential buyers for the three units. As applicant names are drawn, they will be numbered sequentially. Should the first chosen applicant not fully qualify (See Below), the applicant next drawn becomes eligible to go through the full qualification process. This process continues until there are three qualified purchasers.

6. Full Qualification by City

Once the lottery has been completed, and **prior to** a Purchase and Sale Agreement being executed, applicants, in order of priority, will be required to submit within two weeks additional income documentation to the City for analysis. All information provided to the City is subject to third-party verification. Income certifications are valid for a 90-day time period. If an applicant has not purchased a home within this time period, updated financial records will be required.

After full approval by the City, applicants (in order of priority) are required to meet with the Developer or SOTHEBY'S INTERNATIONAL REALTY, select their unit and complete the Builder's Purchase Agreement and Joint Escrow Instructions along with all related documents and disclosures. Buyers must close escrow

within sixty (60) days of execution of the Purchase Contract and Joint Escrow Instructions, subject to unit completion. If the Buyer fails to close escrow within sixty (60) days, subject to unit completion, the Builder reserves the right to offer the home to the next qualified applicant.

HOUSEHOLD SIZE

Generally, the maximum occupancy limit is equal to twice the number of bedrooms in the home plus one person. A "household" is all persons – related or unrelated – who occupy a single housing unit full-time.

ADDITIONAL INFORMATION

1. Representatives of 121 DLG LLC ("Developer") and the City of Santa Barbara ("City") shall not restrict applicants on the basis of race or color, national origin, source of income, sexual orientation, HIV status, religion, gender, familial status or handicap.
2. Developer/Sotheby's will provide a dated receipt to each applicant who has returned a completed application. City will require additional information from chosen applicants after conducting the lottery.
3. Within 15 business days of closure of the application period, the City will conduct the lottery. The City reserves the right to delay the lottery if necessary due to volume of applicants.
4. All names in the lottery will be drawn and assigned a lottery number.
5. City will refer approved applicants to Developer/Sotheby's to choose a home, execute purchase contract/documentation, open escrow and secure final loan approval. City will participate in the escrow process, approve and supply required documentation. Prior to the close of escrow, City will compare the Buyer's Application with final loan documents for consistency. Escrow instructions shall require City's final approval of escrow, loan and settlement documents
6. The City Community Development Director or the Director's designee may approve lottery participation to applicants who currently own a City affordable unit. Owner must demonstrate need (i.e. change in family size) or other good cause.

EQUAL HOUSING OPPORTUNITY

121 DLG LLC and the Santa Barbara City will make reasonable accommodations in rules, policies, practices or services at the request of persons with disabilities when these accommodations are reasonable and necessary to give disabled persons equal opportunity to apply for an affordable home. If applicant requires such accommodations due to a disability, please submit a request in writing at the time application is submitted describing the accommodation request and the reasons for it. Please also include a signed physician statement verifying the need for the accommodation requested.

121 DLG LLC and the City of Santa Barbara are committed to providing equal housing opportunity for all people regardless of race, color, gender, religion, national origin, familial status, or disability. If applicant believe applicant have been a victim of discrimination, contact the U.S. Dept. of Housing and Urban Development's Fair Housing Hotline (800-669-9777).



For more information contact:

Sotheby's International Realty, Fred Bradley @ (805) 695-8541 or Andrew Templeton @ (805) 895-6029
You may also visit www.onetwentyonesb.com or email Thomas Luria at tel@thomasluria.com . Applicants may also call the City of Santa Barbara's Housing Programs Staff at (805) 564-5461 or email Deirdre Randolph, Housing Programs Specialist at drandolph@santabarbaraca.gov .